DGR Global Limited

ABN 67 052 354 837

Interim Report - 31 December 2023

Directors	Peter Wright - Non-Executive Chairman Nicholas Mather - Managing Director Brian Moller - Non-Executive Director Ben Hassell - Non-Executive Director
Company secretary	Geoffrey Walker
Registered office and principal place of business	Level 27 111 Eagle Street Brisbane QLD 4000 Phone: (07) 3303 0681
Share register	Link Market Services Limited 10 Eagle Street Brisbane QLD 4000 Phone: 1300 554 474
Auditor	BDO Audit Pty Ltd Level 10 12 Creek Street Brisbane QLD 4000
Solicitors	Hopgood Ganim Level 8, Waterfront Place 1 Eagle Street Brisbane QLD 4000
Stock exchange listing	DGR Global Limited shares are listed on the Australian Securities Exchange (ASX code: DGR)
Website	www.dgrglobal.com.au
Corporate Governance Statement	www.dgrglobal.com.au/corporate-governance

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of DGR Global Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors
The following persons were directors of DGR Global Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Peter Wright - Non-Executive Chairman
Nicholas Mather - Managing Director
Brian Moller - Non-Executive Director
Ben Hassell - Non-Executive Director

Principal activities
During the financial half-year, the principal continuing activities of the Group was the generation of projects and the provision of services and support to sponsored listed companies, within the mineral resources industry. There were no significant changes in the nature of the Group's principal activities during the half-year.

Review of operations
The loss for the Group after providing for income tax and non-controlling interest amounted to $30,696,775 (31 December 2022: $5,487,197).

DGR Global's business is the creation of resource exploration, development, and mining companies. The business uses the skills of a core team of talented exploration staff to identify resource projects capable of yielding world class discoveries of commodities with enduring strong fundamentals. This is achieved through the identification of commodities with a favourable 20-year demand, growth, and price outlook. DGR searches for geological terranes with:

- A demonstrated strong endowment for that commodity in an historically under-explored region
- Opportunity for the application of newly developed exploration and metallurgical techniques to assist in the definition of economic resources
- Jurisdictions with improving socio-economic and regulatory frameworks
- Extensive available tenures
- Existing data sets which provide the basis for innovative reinterpretation

DGR Global provides initial seed funding and management support to secure these assets in subsidiaries and develop these assets to more advanced funding stages. The Company has a pipeline of projects in daughter companies at various stages of emergence.

Continuing to manage its holdings in LSE/TSX listed SolGold and AIM and ASX listed Atlantic Lithium and further development of ASX listed Clara Resources and New Peak Metals as well as unlisted Auburn Resources, DGR Energy and Armour Energy International is expected over the coming years.

The previous resource exploration and funding activities of DGR's key personnel underscore the opportunities provided by the DGR business model. DGR Global does not generally purchase its exploration projects. DGR's in house generative capabilities give the Company a strong competitive edge. DGR's focus on provincial tenement positions covering entire sedimentary basins or structural blocks where possible, delivers capital, government, and major resource corporate attention.

DGR Global retains key equity positions in its former subsidiary companies after their respective listing. As shown in the DGR Global Group Corporate Structure as of 31 December 2023, DGR Global holds:

- 6.8% of SolGold Plc (LSE/TSX: SOLG)
- 1.93% of Atlantic Lithium Ltd (LSE: ALL, ASX: A11, OTCQX: ALLIF)
- 12.62% of Clara Resources Australia Ltd (ASX: C7A)
- 8.04% of New Peak Metals Ltd (ASX: NPM)
- 6.39% of Lakes Blue Energy NL (ASX: LKO)

In the half-year to 31 December 2023, HSEC for DGR and the group entities for which DGR acts as Operator, maintained a rolling 12-month TRIFR of 0.00 and recorded zero environmental incidents for the corresponding period, highlighting the continuous commitment to sustainable and safe operations, albeit in a substantially reduced field and exploration operations environment.

During the half year minimal field exploration and prospecting activities were undertaken. DGR and its related entities continue to evaluate, maintain and advance projects and plan exploration programmes within the respective portfolios. DGR also continues work to maintain and rehabilitate the Shamrock mine site.

Significant activities or events that occurred during the half-year included:

- The Company continues to focus on new project generation and value creation and also continues to seek out new investment and development opportunities to drive the creation of new resource companies.
- DGR, through its interest in Armour Energy International Ltd, holds an 83.18% (Armour Energy (in Liquidation) 16.12%) interest in a highly prospective oil project in the Kanywataba Block, Uganda.
- Supporting 39.34% owned, public, unlisted Auburn Resources Ltd.
- DGR has impaired the carrying value of exploration assets in relation to certain QLD based tenements that have been cancelled or are under review and may not be renewed. The total impairment charge for the period is $3,942,003.
- Grant of the Turaco Petroleum Exploration Licence and renewal of the Kanywataba Petroleum Exploration Licence by Uganda's Minister of Petroleum was announced.
- Armour Energy Ltd - As disclosed to the ASX, Armour Energy Ltd was placed into receivership and administration on the 10th of November 2023. DGR Global Ltd ('DGR' or 'the Company') had a material investment in Armour Energy Ltd (in liquidation) both via convertible notes and its position as the company's largest shareholder.
  - Accordingly, DGR Global Ltd progressed various Deeds of Company Arrangement (DOCA's) to present to creditors at the second creditors meeting dated 19th of January 2024 which sought to cater to all stakeholders' interests including all creditors and shareholders of Armour Energy Limited (in liquidation) and its subsidiaries.
  - DGRs DOCA's were voted against by creditors who supported the competing bid from ADZ Energy Pty Ltd a company incorporated in Australia in October 2023. The competing bid focussed primarily on the subsidiaries of Armour Energy Ltd (in liquidation), which has itself now been placed into liquidation.
  - DGR contends that the receivers of Armour Energy Ltd (in liquidation) were invalidly appointed and have commenced proceedings in relation to that, which are ongoing. DGR is also broadly assessing its legal options with respect to the receivership, administration and liquidation of the Armour Energy Ltd (in liquidation).
- A Facility Agreement with Choice Investments (Dubbo) Pty Ltd was entered into after the end of the reporting period.

Exploration and Development Activities of Unlisted/Subsidiary Companies

Armour Energy International (83.18%)

Project: Kanywataba Block and Turaco Block | Area: 344km^2 | Prospective for: Oil and Gas Location: Albertine Graben, Uganda

The two projects in Uganda are highly prospective for oil and gas. The project covers approximately 344 km2 and is located in a rift basin within the Albertine Graben, within close proximity to the Total and CNOOC operations in the North.

One of the world's early forming conjugate margins is in the East African Rift system where the Albertine Graben is located underneath Lake Albert. The Albertine Graben lies on Uganda's western border and is renowned as an exceptionally hydrocarbon-rich rift basin.

Activities to date include:

KANAWATABA BLOCK

- Original 2D lines shot in 2010.
- Additional 2D seismic lines shot in 2021, focusing on quantifying and de-risking our portfolio.

TURACO BLOCK

- Large 3D seismic coverage
- 3D reprocessing (390km2), geochemical analysis, AVO and attribute analysis & Miocene outcrop study

Within the block there are multiple developed (untested) on-trend structural traps (3-way and 4-way dip closures) and multiple untested stratigraphic traps.

The Kingfisher oil discovery (40km NE of Kanywataba) oil seeps confirm a local working petroleum system.

Auburn Resources Ltd (39.34%)

Continued with its development and consolidation as a large tonnage zinc, copper and gold focussed company with exposure to nickel, cobalt and lead, exploring highly prospective areas and advancing exploration projects, including 3 district scale flagship projects in QLD and the NT.

Potential for major copper gold discoveries at Mt Abbott, Calgoa and Marodian Projects with exploration targets defined for zinc at the Ban Ban Project.

Relinquishment/cancellation of the Tanumbirini Project Exploration Licences in the Northern Territory and impairment of the related exploration assets.

Planning continues for proposed ASX listing when market conditions permit, with opportunities for capital raising to support systematic exploration and near-term discovery being reviewed.

Field exploration mapping and first phase sampling programmes planned for various project areas ready to commence in the near future.

Pinnacle Gold Pty Ltd (94.3%)

Holds 6 Exploration Permits for Minerals (EPMs) for gold in Queensland and 2 Minerals Exploration Licences (MELs) for gold and copper the Northern Territory.

No exploration activities were undertaken in the half-year to 31 December 2023.

Coolgarra Minerals Pty Ltd (100%)

Holds 6 Exploration Permits for Minerals (EPMs) for gold, nickel, cobalt, and antimony in North Qld.

No exploration activities were undertaken in the half-year to 31 December 2023.

Hartz Rare Earths (100%)

Holds 2 Minerals Exploration Licence (MEL) applications for uranium the Northern Territory.

No exploration activities were undertaken in the half-year to 31 December 2023.

Copies of all of DGR Global's market releases are available on the company's website: www.dgrglobal.com.au

Investments

SolGold Plc (LSE and TSX: SOLG) – DGR Interest 6.8% (as at 31 December 2023)

- Focus on high-grade world-class copper gold porphyry systems at Cascabel in Ecuador. Cascabel is proximate to Quito and seaports, is at low elevation, and has abundant water supplies and access to hydropower.
- Exploration activities continue at a number of SolGold's wholly owned Mineral Concessions in Ecuador.
- SolGold remains the dominant explorer in the country and completion of the previously announced plan of arrangement between SolGold and Cornerstone Capital Resources Inc. was announced.
- Project updates were released for the Porvenir Project, Blanca-Neives Project and Espejo project during the half-year.
- SolGold announced a 25-year term renewal for the Cascabel Project Concession.
- Announcement of agreement with the Government of Ecuador on the terms and conditions in preparation for execution of the Exploitation Agreement for the Cascabel Project.
- Release of several Investor Presentations was made during the half-year.

Copies of all of SolGold's market releases are available on the company's website: www.solgold.com.au

Atlantic Lithium Ltd (LSE:ALL, ASX:A11, OTCQX:ALLIF) – DGR Interest 1.93% (as at 31 December 2023)

- Atlantic's focus remains on the Ewoyaa Lithium Project in Ghana. Atlantic continues to make material progress toward constructing and operating the project in parallel with strong demand for lithium concentrates as the global economy shifts to a reduced carbon intensity.
- Atlantic Lithium released a number of project related announcements and exploration updates during the reporting half year.
  - Atlantic updated the market reporting consistent mineralisation encountered inclusive of several discrete high-grade intersections.
  - Resource and Exploration Infill and Extensional Drilling results from the Ewoyaa Lithium Project were released during the quarter.
  - Announcement of the appointment of DRA Global Ltd to conduct a Scoping Study for the inclusion of a flotation circuit at the Ewoyaa Lithium Project was made.
  - Announcement of the signing of a Memorandum of Understanding (MOU) with the University of Mines and Technology to undertake a Definitive Feasibility Study to assess the viability of producing feldspar feedstock as a by-product of spodumene concentrate production at the Ewoyaa Lithium Project.
  - Announcement that Atlantic Lithium's partner Piedmont Lithium (Nasdaq:PLL; ASX:PLL) notified its intent to support the development Atlantic Lithium's Ewoyaa Lithium Project.
- Announcement of the grant a mining lease for the Ewoyaa Lithium Project was made, as well as announcement of the granting of prospecting licences for Bewadze and Senya Beraku located in the eastern portion of the Cape Coast Lithium portfolio.
- It was announced that an additional 8,000 metre resource extension drilling programme for the Ewoyaa Lithium project had been planned and a maiden Feldspar Mineral Resource Estimate (MRE) was released.
- Several Corporate Updates and an Investor Presentation were released during the half.
- Announcement of the appointment of Mr Jonathon Henry as an Independent Non-Executive Director was made.
- The successful completion of an $A8.0m Institutional Equity Placement was made.
- After the end of the reporting period it was announced that the Minerals Income Investment Fund of Ghana had completed a subscription for $US5.0m Atlantic Lithium shares in line with the non-binding Heads of Terms.

Copies of all of Atlantic Lithium's market releases are available on the company's website: www.atlanticlithium.com.au

New Peak Metals Ltd (ASX:NPM) – DGR Interest 8.04% (as at 31 December 2023)

- Focused on exploring for alternative world class gold deposits in multiple, diverse jurisdictions including New Zealand, Argentina, Sweden, and Finland as well as other precious and base metals project opportunities.
- Announcement of a fully funded Joint Venture (JV) with ENEXD Group, and a subsequent extension of the termination date for exploration of New Peak Metals' gold projects in Finland.
- Announcement of the resignation of Mr Boyd White as CEO and the appointment of Mr David Mason as Interim CEO, as well as announcement of the resignation of Mr Nick Mather as a Non-Executive Director.
- Announcement was made of completion of a Binding Term Sheet to acquire North and South American Lithium assets.
  - The termination and subsequent deposit refund of the proposed Southern Cross Brittania Ltd transaction was announced.
  - A corporate update was released during the reporting period, with a further update released after the end of the current reporting period.

Copies of all of NewPeak Metals' market releases are available on the company's website: www.newpeak.com.au

Clara Resources Australia Ltd (ASX:C7A) – DGR Interest 12.62% (as at 31 December 2023)

- Focussing on a diverse commodity base including cobalt, nickel, and metallurgical coal.
- The resignation of Non-Executive Director Mr Brad Gordon was announced.
- Release of the CEO's presentation made at the AGM.
- An updated scoping study for the Ashford Coking Coal Project was released.

Copies of all of Clara Resources' market releases are available on the company's website: www.clararesources.com.au

Lakes Blue Energy NL (ASX:LKO) – DGR Interest 6.39% (as at 31 December 2023)

- Focussing on realising the potential of the company's diverse portfolio of projects to become a producer of petroleum to meet Australian industry and household requirements, in both feedstock and energy applications.
- Agreement by Cooper Energy to farm-in terms for PEP169 was announced.
  - Completion of a share consolidation was announced.
  - A company update, and shareholder presentation were both released.

Copies of all of Lakes Blue Energy's market releases are available on the company's website: www.lakesblueenergy.com.au

Significant changes in the state of affairs

Armour Energy Limited

Receivers and Managers, and Voluntary Administrators were appointed to Armour Energy Limited (Armour Energy) on 10 November 2023 and Armour Energy was suspended from the ASX on the same date. On 19 January 2024, the creditors of the Armour Energy Group of companies resolved that Armour Energy Limited be wound up, and liquidators were appointed (refer to note 18). The Group has recognised a total loss of $25,524,761 for the half-year ended 31 December 2023 as a result of the impairment and fair value movements in Armour Energy assets.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

Liquidation of Armour Energy Limited

On 19 January 2024, creditors of Armour Energy Limited resolved it be wound up, and liquidators were appointed. The respective creditors of Armour Energy's subsidiaries also resolved that McArthur Oil & Gas Limited and McArthur NT Pty Limited would be wound up (refer to note 18).

Facility Agreement
As announced to the ASX on 17 January 2024, the Company entered into a Facility Agreement with Choice Investments (Dubbo) Pty Ltd (Choice). Under the Facility Agreement, Choice has agreed to provide funding in a number tranches up to $15m, which can be provided by Choice and/or Co-Lenders. To date the Company has drawn down $5m on the facility. The interest rate on the loan is 20% per annum, which is capitalised and payable on maturity, and the loan is repayable on 30 November 2024. The loan is secured by a general security agreement over the Group's assets.

On 28 February 2024, the Company issued 150,000,000 options (Tranche 1 and Tranche 2 Options) to Choice in terms of the Facility Agreement. On 13 March 2024, the Company announced to the ASX that it will hold an Extraordinary General Meeting of the Company's shareholders on 10 April 2024 to ratify the 150,000,000 options and obtain shareholder approval for the issue of a further 30,000,000 options to Choice (Tranche 3 Options).

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Material business risks
General
Disruption to international trade and travel, and likely global economic contraction as a result of government and private sector reactions to economic slowdown in China, the Gaza, Red Sea and Russia/Ukraine conflicts and broader geopolitical uncertainty.

Climate change and force majeure
The performance of the Company will continue to be influenced by the various external conditions both, domestically and internationally, that directly and indirectly impact the various commodities that form the Company’s (and its subsidiaries) focus for exploration and mining. In addition, the Company’s ability to continue operating also has a degree of dependence on the health of the capital markets (both debt and equity) which the Company may need to access in order to fund potential future operations. While these markets are always influenced by the general conditions in the broader economy.

Significant weather events, especially flooding rain and tropical cyclones directly impact land and tenement access and the ability to undertake field exploration work, as well as the additional risk of plant, equipment and infrastructure damage and/or loss.

Operational risks
Continued successful operations of the Company and its subsidiaries will largely depend on the efficient and successful implementation of its exploration, business development and commercial management. The operations of the Company and its subsidiaries may be disrupted by a variety of events, risks and hazards that are beyond the control of the Company.

Exploration has been and will continue to be influenced on occasions by unforeseen material and labour cost changes, environmental considerations, extreme weather events, and other events including but not limited to any future effects of another viral pandemic, kinetic conflict, supply chain disruptions, economic sanctions and an increasing nationalistic approach to global trade and other macro-economic considerations.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

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Peter Wright
Chairman

15th March 2024
Brisbane

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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF DGR GLOBAL LIMITED

As lead auditor for the review of DGR Global Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of DGR Global Limited and the entities it controlled during the period.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 15 March 2024

General information

The financial statements cover DGR Global Limited as a Group consisting of DGR Global Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is DGR Global Limited's functional and presentation currency.

DGR Global Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 27
111 Eagle Street
Brisbane
QLD 4000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15th March 2024.

DGR Global Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 $	Consolidated 31 Dec 2022 $
Revenue		164,667	228,000
Other Income and Expenses			
Share of losses of associates accounted for using the equity method	10	(1,176,893)	(1,271,232)
Other income	4	1,025,173	165,046
Interest income	5	942,689	889,983
Net impairment and fair value movements in Armour Energy Limited assets	18	(25,524,761)	(1,411,925)
Movement in fair value of Lakes Blue Energy NL convertible note receivable	11	-	(562,597)
Reversal of impairment of trade receivables	8	1,186,961	-
Operating Expenses			
Administration and consulting expenses		(949,974)	(878,767)
Depreciation and amortisation expense		(220,526)	(220,901)
Employee benefits expense		(715,120)	(790,323)
Exploration and evaluation assets written off	12	(3,942,003)	(20,135)
Legal expenses		(491,472)	(26,899)
Finance costs		(73,695)	(108,767)
Total operating expenses		(6,392,790)	(2,045,792)
Loss before income tax expense		(29,774,954)	(4,008,517)
Income tax expense	6	(2,967,045)	(1,488,479)
Loss after income tax expense for the half-year		(32,741,999)	(5,496,996)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Fair value loss on the revaluation of equity instruments at fair value through other comprehensive income	11	(31,334,387)	(45,458,854)
Tax effect of net fair value losses on financial assets		4,658,452	13,833,154
Other comprehensive income for the half-year, net of tax		(26,675,935)	(31,625,700)
Total comprehensive income for the half-year		(59,417,934)	(37,122,696)
Loss for the half-year is attributable to:			
Non-controlling interest		(2,045,224)	(9,799)
Owners of DGR Global Limited		(30,696,775)	(5,487,197)
		(32,741,999)	(5,496,996)
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(2,045,224)	(9,799)
Owners of DGR Global Limited		(57,372,710)	(37,112,897)
		(59,417,934)	(37,122,696)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Consolidated	
		31 Dec 2023	**31 Dec 2022**
		Cents	**Cents**
Basic earnings per share	17	(2.9)	(0.5)
Diluted earnings per share	17	(2.9)	(0.5)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

DGR Global Limited
Statement of financial position
As at 31 December 2023

	Note	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Assets			
Current assets			
Cash and cash equivalents	7	974,849	2,432,190
Trade and other receivables	8	192,421	824,242
Other assets	9	679,390	72,505
Total current assets		1,846,660	3,328,937
Non-current assets			
Trade and other receivables	8	-	2,620,828
Investments accounted for using the equity method	10	-	2,941,072
Other financial assets	11	44,304,394	93,820,301
Property, plant and equipment		664,893	883,668
Exploration and evaluation	12	18,874,339	21,869,379
Total non-current assets		63,843,626	122,135,248
Total assets		65,690,286	125,464,185
Liabilities			
Current liabilities			
Trade and other payables		1,445,100	1,483,685
Borrowings	13	3,238,990	-
Lease liabilities		344,504	568,859
Income tax	6	2,441,366	2,207,498
Total current liabilities		7,469,960	4,260,042
Non-current liabilities			
Borrowings	13	1,704,623	3,302,380
Lease liabilities		-	50,696
Deferred tax	6	5,657,355	7,582,630
Provisions		1,486,527	1,478,982
Total non-current liabilities		8,848,505	12,414,688
Total liabilities		16,318,465	16,674,730
Net assets		49,371,821	108,789,455
Equity			
Issued capital		57,932,487	57,932,187
Reserves		66,379,862	93,055,797
Accumulated losses		(76,099,468)	(45,402,693)
Equity attributable to the owners of DGR Global Limited		48,212,881	105,585,291
Non-controlling interest		1,158,940	3,204,164
Total equity		49,371,821	108,789,455

The above statement of financial position should be read in conjunction with the accompanying notes

DGR Global Limited
Statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2022	57,932,187	123,448,812	(35,879,140)	3,228,530	148,730,389
Loss after income tax expense for the half-year	-	-	(5,487,197)	(9,799)	(5,496,996)
Other comprehensive income for the half-year, net of tax	-	(31,625,700)	-	-	(31,625,700)
Total comprehensive income for the half-year	-	(31,625,700)	(5,487,197)	(9,799)	(37,122,696)
Balance at 31 December 2022	57,932,187	91,823,112	(41,366,337)	3,218,731	111,607,693

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 July 2023	57,932,187	93,055,797	(45,402,693)	3,204,164	108,789,455
Loss after income tax expense for the half-year	-	-	(30,696,775)	(2,045,224)	(32,741,999)
Other comprehensive income for the half-year, net of tax	-	(26,675,935)	-	-	(26,675,935)
Total comprehensive income for the half-year	-	(26,675,935)	(30,696,775)	(2,045,224)	(59,417,934)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	300	-	-	-	300
Balance at 31 December 2023	57,932,487	66,379,862	(76,099,468)	1,158,940	49,371,821

The above statement of changes in equity should be read in conjunction with the accompanying notes

DGR Global Limited
Statement of cash flows
For the half-year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 $	31 Dec 2022 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		-	182,179
Payments to suppliers and employees (inclusive of GST)		(2,891,119)	(1,734,394)
Interest received		106,838	173,070
Interest and other finance costs paid		(73,695)	(108,767)
Net cash used in operating activities		(2,857,976)	(1,487,912)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,750)	(11,523)
Payments for exploration and evaluation assets	12	(946,963)	(1,311,113)
Payments for security deposits		(526)	(1,742)
Payments for other financial assets	11	-	(12,123,834)
Loan advanced to associate	8	(2,750,000)	-
Receipt from repayment of corporate bonds and release of security deposits		1,412,363	409,500
Proceeds from the sale of other financial assets	11	2,228,175	13,520,570
Net cash (used in)/from investing activities		(58,701)	481,858
Cash flows from financing activities			
Proceeds from issue of shares		300	-
Proceeds from borrowings	13	1,734,087	-
Payment of lease liabilities		(275,051)	(234,706)
Net cash from/(used in) financing activities		1,459,336	(234,706)
Net decrease in cash and cash equivalents		(1,457,341)	(1,240,760)
Cash and cash equivalents at the beginning of the financial half-year		2,432,190	2,576,198
Cash and cash equivalents at the end of the financial half-year	7	974,849	1,335,438

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This half year financial report presents reclassified comparative information where required for consistency with the current half year's presentation.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Adoption of these new or amended accounting standards did not have a material impact on the half-year financial statements.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Key judgements - Working capital deficiency
As at 31 December 2023, the Group had a working capital deficiency of $5,623,300 (current liabilities exceeded current assets). This deficiency in working capital is primarily attributable to the following balances included in current liabilities: a loan due to Equities First Holdings LLC of $3,238,990 that is repayable on 16 December 2024, and a tax liability of $2,441,366 that arose in the 30 June 2023 financial year. Post period end the Group drew down on the first $5,000,000 tranche of the loan facility with Choice Investments (Dubbo) Pty Ltd (Choice). The Choice loan is due for repayment in November 2024.

The Directors consider that the Group has sufficient resources to meet all of its obligations as and when they fall due. Therefore, the financial statements have been prepared on a going concern basis, which assumes that the Group will be able to realise its assets and discharge its liabilities in the normal course of business.

In concluding this, the Directors have considered the Group’s liquidity position, any risks to the budgeted cash flows and funding, and the Group’s outlook. Operating cash flow needs, including the 2023 income tax payable, will be met from the current cash on hand following the draw down of the Choice loan and realization of the financial assets to the extent required, subject to any consents required from the lenders. The Directors are confident that the Group’s remaining deficiency in working capital arising from the short term loans will be addressed through the sale of listed investments. The market value of the Group’s listed investments at 31 December 2023 was $42,166,638 (refer to note 11(a)).

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Key judgements – exploration & evaluation assets
The Group performs regular reviews on each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. These reviews are based on detailed surveys and analysis of drilling results performed to reporting date.

The Directors have assessed that for the exploration and evaluation assets recognised at 31 December 2023, the facts and circumstances do not suggest that the carrying amount of an asset may exceed its recoverable amount. In considering this the Directors have had regard to the facts and circumstances that indicate a need for an impairment as noted in Accounting Standard AASB 6 *Exploration for and Evaluation of Mineral Resources*.

Exploration and evaluation assets at 31 December 2023 were $18,874,339 (30 Jun 2023: $21,869,379).

Key judgements – Significant influence over Associates
Where the Group currently holds between 20% and 50% of the issued ordinary shares of certain companies management considered whether the Group has control over these companies and accordingly whether these companies should be consolidated into the Group. Several factors including but not limited to the relative proportion of other large shareholders, composition of the Board and the ability to direct decisions arrived at during Board meetings were considered. Based on the factors considered, it was concluded that the Group does not control these companies but rather has the ability to exert significant influence. Accordingly, the Group's investments in these companies have been accounted for under the equity accounting method.

Where the Group holds less than 20% of the issued ordinary shares of certain companies it was presumed pursuant to AASB 128 *Investments in Associates and Joint Ventures*, that the Group cannot exercise significant influence unless such influence can be clearly demonstrated. In determining whether the Group had significant influence, factors such as representation on the board of directors, participation in policy making decision, material transactions between the Group and the companies, interchange of managerial personnel or provision of essential technical information is considered. Other factors considered to determine whether the Group had significant influence included, the Group's voting power in comparison to other shareholders, specific rights, corporate governance arrangements and the power to veto significant financial and operating decisions.

For the 6 months ended 31 December 2023 the Group has reviewed these factors and determined that the accounting for investments at 31 December 2023 remains appropriate.

Key judgements - Recognition of investment in Atlantic Lithium Limited and SolGold plc
Shares held by the Group in Atlantic Lithium Limited and SolGold plc have been used as security for loans advanced to DGR Global Limited (refer to note 11). Title to 12,000,000 ordinary shares in Atlantic Lithium Limited and 15,000,000 ordinary shares in SolGold plc, representing 98.77% and 7.35%, respectively, of the total number of shares owned by DGR at 31 December 2023, have been transferred to the lender in terms of a Deed of Security. Although title in the shares has been transferred to the lender, the Directors have assessed that DGR has retained substantially all the risks and rewards of ownership of the shares and continues to recognise the investment in the respective shares.

The directors of the Group have not identified any other possible changes to key estimates or judgements that could significantly impact the amounts recognised in the interim financial report.

Note 3. Operating segments

Identification of reportable operating segments
The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Note 3. Operating segments (continued)

The Group reports information to the Board of Directors along company lines. That is, the financial position of DGR and each of its subsidiary companies is reported discreetly, together with an aggregated Group total. Accordingly, each company within the Group that meets or exceeds the relevant threshold tests is separately disclosed below. The financial information of the subsidiaries that do not exceed the relevant thresholds outlined above, and are therefore not reported separately, is aggregated and disclosed as Others.

Operating segment information

Consolidated - 31 Dec 2023	DGR Global $	Auburn Resources $	Armour Energy International $	Other $	Total $
Revenue					
Provision of services to external customers	164,667	-	-	-	164,667
Interest revenue	942,689	-	-	-	942,689
Total revenue	1,107,356	-	-	-	1,107,356
Segment net loss before tax	(21,926,756)	(2,975,057)	(633,370)	(1,138,699)	(26,673,882)
Share of losses of associates	-	-	-	(1,176,893)	(1,176,893)
Impairment of investment in associate	-	-	-	(1,924,179)	(1,924,179)
Loss before income tax expense	(21,926,756)	(2,975,057)	(633,370)	(4,239,771)	(29,774,954)
Income tax expense					(2,967,045)
Loss after income tax expense					(32,741,999)
Assets					
Segment assets	64,618,037	2,339,555	9,706,504	1,262,096	77,926,192
Intersegment eliminations					(12,235,906)
Total assets					65,690,286

Consolidated - 31 Dec 2022	DGR Global $	Auburn Resources $	Armour Energy International $	Other $	Total $
Revenue					
Provision of services to external customers	228,000	-	-	-	228,000
Interest revenue	889,983	-	-	-	889,983
Total revenue	1,117,983	-	-	-	1,117,983
Segment net loss before tax	(3,972,082)	(8,730)	(26,601)	(1,104)	(4,008,517)
Share of losses of associates	-	-	-	(1,271,232)	(1,271,232)
Reversal of impairment of investment in associate	-	-	-	1,271,232	1,271,232
Loss before income tax expense	(3,972,082)	(8,730)	(26,601)	(1,104)	(4,008,517)
Income tax expense					(1,488,479)
Loss after income tax expense					(5,496,996)

Consolidated - 30 Jun 2023	DGR Global $	Auburn Resources $	Armour Energy International $	Other $	Total $
Assets					
Segment assets	119,567,167	5,231,735	9,959,061	2,155,531	136,913,494
Intersegment eliminations					(11,449,309)
Total assets					125,464,185

Note 4. Other income

	Consolidated	
	31 Dec 2023 $	31 Dec 2022 $
Foreign currency related gains	122,673	-
Other	10,000	165,046
Capital raising and selling fees	892,500	-
Other income	1,025,173	165,046

Note 5. Interest income

	Consolidated	
	31 Dec 2023 $	31 Dec 2022 $
Interest on convertible notes	774,452	802,748
Interest on corporate bonds	51,623	85,704
Interest on loan to associate	103,124	-
Bank interest	12,994	1,508
Other interest income	496	23
	942,689	889,983

Note 6. Income tax

	Consolidated	
	31 Dec 2023 $	31 Dec 2022 $
Income tax expense		
Current tax	233,868	395,973
Deferred tax - origination and reversal of temporary differences	2,733,177	1,092,506
Aggregate income tax expense	2,967,045	1,488,479
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(29,774,954)	(4,008,517)
Tax at the statutory tax rate of 25% (2022: 25%)	(8,932,486)	(1,202,555)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Other	198,456	16,409
Capital gain	575,028	2,963,156
	(8,159,002)	1,777,010
Derecognise temporary differences	10,243,879	-
Derecognise/(recognise) tax losses	1,328,792	(70,029)
Difference between tax rates	(446,624)	(218,502)
Income tax expense	2,967,045	1,488,479

Note 6. Income tax (continued)

Recognised deferred tax assets and liabilities

	Opening balance $	Net charged to income $	Net credited to other comprehensive income $	Net charged to equity $	Closing balance $
31 December 2023					
Deferred tax asset					
Carried forward tax losses	2,340,023	(868,117)	-	-	1,471,906
Accruals/provisions	886,506	(564,217)	-	-	322,289
Capital raising costs	234,042	2,666	-	-	236,708
Lease liabilities	154,889	(68,763)	-	-	86,126
Other temporary differences	33,827	(33,827)	-	-	-
Loans	-	596,657	-	-	596,657
	3,649,287	(935,601)	-	-	2,713,686
Deferred tax liability					
Financial assets at fair value through other comprehensive income	(9,666,768)	-	3,592,572	-	(6,074,196)
Convertible note	183,845	(183,845)	-	-	-
Investment in associates	1,390,092	(2,455,972)	1,065,880	-	-
Exploration and evaluation assets	(2,963,631)	822,656	-	-	(2,140,975)
Right-of-use assets	(115,841)	53,465	-	-	(62,376)
Property, plant and equipment	(59,614)	-	-	-	(59,614)
Unrealised foreign exchange gains	-	(33,880)	-	-	(33,880)
	(11,231,917)	(1,797,576)	4,658,452	-	(8,371,041)
Net deferred tax recognised	(7,582,630)	(2,733,177)	4,658,452	-	(5,657,355)

Note 6. Income tax (continued)

	Opening balance $	Net charged to income $	Net credited to other comprehensive income $	Net charged to equity $	Closing balance $
30 June 2023					
Deferred tax asset					
Carried forward tax losses	3,900,648	(1,560,625)	-	-	2,340,023
Accruals/provisions	301,764	584,742	-	-	886,506
Capital raising costs	361,513	(127,471)	-	-	234,042
Lease liabilities	276,243	(121,354)	-	-	154,889
Other temporary differences	-	33,827	-	-	33,827
	4,840,168	(1,190,881)	-	-	3,649,287
Deferred tax liability					
Financial assets at fair value through other comprehensive income	(20,607,104)	-	10,940,336	-	(9,666,768)
Convertible note	(172,140)	355,985	-	-	183,845
Investment in associates	(5,364,733)	421,944	6,332,881	-	1,390,092
Exploration and evaluation assets	(2,472,469)	(491,162)	-	-	(2,963,631)
Right-of-use assets	(222,772)	106,931	-	-	(115,841)
Property, plant and equipment	(59,614)	-	-	-	(59,614)
Unrealised foreign exchange gains	(12,594)	12,594	-	-	-
	(28,911,426)	406,292	17,273,217	-	(11,231,917)
Net deferred tax recognised	(24,071,258)	(784,589)	17,273,217	-	(7,582,630)

Deferred tax assets not recognised

	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Unrecognised tax losses	1,925,903	1,925,903
Unrecognised capital losses	67,848	67,848
	1,993,751	1,993,751
Tax benefit at 25% (30 June 2023: 25%)	498,438	498,438

	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Provision for income tax		
Provision for income tax	2,441,366	2,207,498

Note 7. Cash and cash equivalents

	Consolidated 31 Dec 2023 $	Consolidated 30 Jun 2023 $
Current assets		
Cash at bank and on hand	974,849	2,432,190

Note 8. Trade and other receivables

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Current assets		
Trade receivables	256,521	2,604,675
Less: Allowance for expected credit losses (a)	(216,872)	(2,488,026)
	39,649	116,649
Other receivables	80,134	117,323
Interest receivable	-	556,225
GST receivable	72,638	34,045
	192,421	824,242
Non-current assets		
Loan to associate (b)	-	2,620,828
	192,421	3,445,070

(a) Allowance for expected credit losses
Movements in the allowance for expected credit losses are as follows:

	Consolidated
	31 Dec 2023
	$
Opening balance	2,488,026
Receivables written off during the period as uncollectable	(1,084,193)
Unused amounts reversed*	(1,186,961)
Closing balance	216,872

* Amounts receivable from Armour Energy Limited that were converted into Armour Energy Limited convertible notes (note 11).

(b) Loan to associate - Armour Energy Limited

	Consolidated
	31 Dec 2023
	$
Opening balance	2,620,828
Advances	2,750,000
Loan converted into convertible notes in Armour Energy Limited (note 11)	(2,363,370)
Impairment (note 18)	(3,007,458)
Closing balance	-

The loan to Armour Energy Limited was impaired as a result of the company being placed in voluntary administration on 10 November 2023 and subsequently placed into liquidation on 19 January 2024 (refer to note 18).

Note 9. Other assets

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Current assets		
Prepayments	189,390	72,505
Cash held in lawyer's trust account	490,000	-
	679,390	72,505

Note 10. Investments accounted for using the equity method

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Non-current assets		
Investment in Armour Energy Limited	-	2,941,072

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial reporting periods are set out below:

Opening carrying amount	2,941,072	2,248,258
Loss after income tax	(1,176,893)	(4,314,949)
Other comprehensive income	-	(42,000)
Additions - conversion of McArthur Oil and Gas Limited notes into shares in Armour Energy Limited	160,000	2,422,590
(Impairment)/reversal of impairment (note 18)	(1,924,179)	2,627,173
Closing carrying amount	-	2,941,072

The Company's share of the associate's loss is based on the financial results of the associate for the period 1 July 2023 to 30 September 2023. The associate was placed in voluntary administration on 10 November 2023 and no financial information is available post 30 September 2023. As a result of the associate being placed in voluntary administration and subsequently into liquidation, the investment has been fully impaired at 31 December 2023 (refer to note 18).

Interests in associates
Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the Group are set out below:

		Ownership interest	
	Principal place of business /	31 Dec 2023	30 Jun 2023
Name	Country of incorporation	%	%
Armour Energy Limited	Australia	19.79%	19.92%

Note 11. Other financial assets

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Non-current assets		
Financial assets at fair value through other comprehensive income (a)	42,166,638	75,681,695
Financial assets at fair value through profit or loss (b)	-	14,986,540
Corporate bonds (c)	-	1,014,836
Security bonds (d)	2,137,756	2,137,230
	44,304,394	93,820,301

(a) Financial assets at fair value through other comprehensive income

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Opening balance	75,681,695	142,524,263
Additions	47,505	1,964,347
Additions – transfer from prepaid capital	-	810,000
Disposals	(2,228,175)	(21,992,683)
Fair value adjustment through other comprehensive income	(31,334,387)	(47,624,232)
Closing balance	42,166,638	75,681,695

Financial assets at fair value through other comprehensive income comprise an investment in the ordinary issued capital of SolGold plc, listed on the London Stock Exchange ("LSE") and Toronto Stock Exchange ("TSX"), an investment in the ordinary issued capital of Atlantic Lithium Limited, listed on the LSE, an investment in the ordinary issued capital of Canadian Nexus Team Ventures Corp, listed on the TSX, an investment in the ordinary issued capital of Clara Resources Australia Ltd a company listed on the Australian Securities Exchange, an investment in the ordinary issued capital of Lakes Blue Energy NL, a company listed on the Australian Securities Exchange, an investment in the ordinary issued capital of NewPeak Metals Ltd a company listed on the Australian Securities Exchange and an investment in the ordinary issued capital of Challenger Energy Group plc, listed on the London Stock Exchange ("LSE").

Shares held in Atlantic Lithium Limited and SolGold plc have been used as security for loans advanced to DGR Global Limited (refer note 13). Title to 12,000,000 ordinary shares in Atlantic Lithium Limited and 15,000,000 ordinary shares in SolGold plc, representing 98.77% and 7.35%, respectively, of the total number of shares owned by DGR at 31 December 2023, have been transferred to the lender in terms of a Deed of Security. Although the title in the shares has been transferred to the lender, DGR has retained substantially all the risks and rewards of ownership of the shares and continues to recognise the investment in the shares. At 31 December 2023, the 12,000,000 ordinary shares in Atlantic Lithium Limited and the 15,000,000 ordinary shares in SolGold plc used as security for the loans had a fair value of $5,092,647 and $2,700,000, respectively.

Classification of assets at fair value through other comprehensive income
For equity securities that are not held for trading, the Company has made an irrevocable election at initial recognition to recognise changes in fair value through other comprehensive income rather than profit or loss.

Note 11. Other financial assets (continued)

(b) Financial assets at fair value through profit or loss

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Opening balance	14,986,540	7,192,614
Additions		
- Lakes Blue Energy NL - convertible notes in lieu of interest	-	228,903
- McArthur Oil & Gas Limited - redeemable exchangeable notes	-	11,428,000
- Loan to Armour Energy Limited converted into Armour Energy Limited convertible notes (note 8)	2,363,370	-
- Armour Energy Limited - convertible notes in lieu of interest	576,250	-
- Interest on McArthur Oil & Gas Limited redeemable exchangeable notes	282,839	1,523,464
- Trade receivable balances converted into Armour Energy Limited convertible notes	2,408,665	-
Conversion		
- McArthur Oil & Gas Limited redeemable exchangeable notes into shares in Armour Energy Limited	(160,000)	(2,422,590)
- Lakes Blue Energy NL convertible notes into shares in Lakes Blue Energy NL	-	(1,382,845)
Fair value adjustment through profit or loss - redeemable exchangeable notes (note 18)	(20,325,225)	(1,581,006)
Fair value adjustment through profit or loss - Armour Energy Limited options (note 18)	(132,439)	-
Closing balance	-	14,986,540
Comprising the following financial assets:		
McArthur Oil & Gas Limited redeemable exchangeable notes	-	14,854,101
Armour Energy Limited options	-	132,439
	-	14,986,540

During the half-year ended 31 December 2023, all McArthur Oil & Gas Limited redeemable exchangeable notes were converted into Armour Energy Limited convertible notes. The fair value of the convertible notes was written down to $nil as a result of Armour Energy Limited being placed in voluntary administration on 10 November 2023 and subsequently placed into liquidation on 19 January 2024 (refer to note 18).

(c) Corporate bonds at amortised cost

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Opening balance	1,014,836	1,504,772
Reversal of impairment (note 18)	397,527	147,064
Repayment	(1,412,363)	(637,000)
Closing balance	-	1,014,836

(d) Security bonds at amortised cost
Security bonds are held with the Department of Natural Resources and Mining as security for rehabilitation works required.

Note 12. Exploration and evaluation

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Non-current assets		
Exploration and evaluation assets - at cost	18,874,339	21,869,379

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration and evaluation assets $
Balance at 1 July 2023	21,869,379
Additions	946,963
Write off of assets*	(3,942,003)
Balance at 31 December 2023	18,874,339

* The carrying value of exploration assets in relation to tenements that have been cancelled or have expired and are under review and may not be renewed.

Note 13. Borrowings

	Consolidated	
	31 Dec 2023	**30 Jun 2023**
	$	**$**
Current liabilities		
Equities First Holdings LLC - loan 1	3,238,990	-
Non-current liabilities		
Equities First Holdings LLC - loan 1	-	3,302,380
Equities First Holdings LLC - loan 2	1,704,623	-
	1,704,623	3,302,380
	4,943,613	3,302,380

Loan 1
On 16 December 2021, DGR Global Limited (DGR) entered into a loan agreement with Equities First Holdings LLC (EFH). EFH advanced £1,679,302 (GBP) to DGR. The loan is secured by 12,000,000 ordinary shares held by DGR in Atlantic Lithium Limited (refer note 11). The loan bears interest at 3.5% per annum and is repayable on 16 December 2024.

Loan 2
On 21 September 2023, DGR Global Limited (DGR) entered into a loan agreement with Equities First Holdings LLC (EFH). EFH advanced £911,121 (GBP) to DGR. The loan is secured by 15,000,000 ordinary shares held by DGR in SolGold plc (refer note 11). The loan bears interest at 3.75% per annum and is repayable on 21 September 2025.

Note 14. Fair value measurement

Fair value hierarchy
The following tables detail the Group's financial assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through other comprehensive income	42,166,638	-	-	42,166,638
Total assets	42,166,638	-	-	42,166,638

Consolidated - 30 Jun 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through other comprehensive income	75,681,695	-	-	75,681,695
Financial assets at fair value through profit or loss	132,439	-	14,854,101	14,986,540
Total assets	75,814,134	-	14,854,101	90,668,235

There were no transfers between levels during the financial half-year.

Valuation techniques for fair value measurements categorised within level 1
The financial assets at fair value through other comprehensive income are measured based on the quoted market prices at 31 December 2023 and 30 June 2023.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Level 3:
The financial assets at fair value through profit or loss at 30 June 2023 comprised McArthur Oil & Gas Limited (MOG) redeemable exchangeable notes. During the half-year ended 31 December 2023 the MOG notes were converted into Armour Energy Limited (Armour Energy) convertible notes.

The notes comprise a debt component and an equity component. The debt component was valued using a discounted cash flow method and the equity component was valued as an option. The combined value of the debt and equity components comprise the total fair value of the respective convertible notes.

To calculate the value of the equity component, an option pricing model was used that included the following inputs: the exercise price, the share price at the time of issue, the expected life of the option, the share's expected volatility, expected dividends and the expected risk-free interest rate.

The calculation of the value of the debt component of the note involved removing the value of the equity component of the convertible notes on the day of issue and calculating an implied discount rate on the future cash flows of the liability. This implied rate was then used to calculate the present or discounted value of all future cash flows as at the date of valuation, being the face value plus accumulated interest over the life of the convertible note.

The fair value of the convertible notes was written down to $nil as a result of Armour Energy Limited being placed in voluntary administration on 10 November 2023 and subsequently placed into liquidation on 19 January 2024 (refer to note 18).

Note 14. Fair value measurement (continued)

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Financial assets at fair value through profit or loss $
Balance at 1 July 2023	14,854,101
Additions	5,631,124
Conversion into shares in Armour Energy Ltd	(160,000)
Losses recognised in profit or loss (note 18)	(20,325,225)
Balance at 31 December 2023	-
Total losses for the previous half-year included in profit or loss that relate to level 3 assets held at the end of the previous half-year	(3,174,618)
Total losses for the current half-year included in profit or loss that relate to level 3 assets held at the end of the current half-year	(20,325,225)

Note 15. Related party transactions

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2023 $	**31 Dec 2022 $**
Sale of services:		
Sale of services to Armour Energy Limited (a)	164,667	228,000
Other income:		
Interest - Armour Energy Limited	612,974	85,704
Interest - McArthur Oil & Gas Limited	304,589	709,000
Payment for services:		
Payment for services from HopgoodGanim Lawyers (b)	474,178	13,530
Payment for services from Samuel Capital Pty Limited (c)	261,350	310,660

(a) DGR Global Limited had a commercial agreement with Armour Energy Ltd for the provision of administrative services. In consideration for the provision of the services, DGR Global Limited received a monthly administration fee.
(b) Mr Brian Moller (a Director), is a partner in the firm HopgoodGanim Lawyers. HopgoodGanim provides legal services to the Group based on normal commercial terms and conditions.
(c) DGR Global Limited has a commercial agreement with Samuel Capital Pty Limited, an entity controlled by Nick Mather, for the provision of administrative and marketing services.

Note 15. Related party transactions (continued)

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Current receivables:		
Trade receivables - Armour Energy Limited	-	1,375,497
Trade receivables - McArthur Oil & Gas Limited	-	903,540
Trade receivables from other related parties	216,844	310,643
Interest receivable from McArthur Oil & Gas Limited	-	439,500
Interest receivable from Armour Energy Limited	-	116,725
Non-current financial assets:		
Corporate bonds - Armour Energy Limited	-	1,014,836
Redeemable exchangeable notes - McArthur Oil & Gas Limited	-	14,854,101
Current payables:		
Trade payables - HopgoodGanim Lawyers	222,052	14,064
Trade payables - Samuel Capital Pty Limited	23,996	41,585

Loans to related parties
The following balances were outstanding at the reporting date in relation to loans to related parties:

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Non-current receivables		
Loan to associate	-	2,620,828

Refer to note 8 for details of movements in the loan to the associate.

Investments in related party convertible notes and corporate bonds
The following balances are outstanding at the reporting date in relation to investments in related party convertible notes and corporate bonds:

	Consolidated	
	31 Dec 2023	30 Jun 2023
	$	$
Non-current assets:		
Convertible notes - McArthur Oil & Gas Limited	-	14,854,101
Corporate bonds - Armour Energy Limited	-	1,014,836

Refer to note 11 for details of movements in the convertible notes and corporate bonds.

Note 16. Events after the reporting period

Liquidation of Armour Energy Limited
On 19 January 2024, creditors of Armour Energy Limited resolved it be wound up, and liquidators were appointed. The respective creditors of Armour Energy's subsidiaries also resolved that McArthur Oil & Gas Limited and McArthur NT Pty Limited would be wound up (refer to note 18).

Note 16. Events after the reporting period (continued)

Facility Agreement
As announced to the ASX on 17 January 2024, the Company entered into a Facility Agreement with Choice Investments (Dubbo) Pty Ltd (Choice). Under the Facility Agreement, Choice has agreed to provide funding in a number tranches up to $15m, which can be provided by Choice and/or Co-Lenders. To date the Company has drawn down $5m on the facility. The interest rate on the loan is 20% per annum, which is capitalised and payable on maturity, and the loan is repayable on 30 November 2024. The loan is secured by a general security agreement over the Group's assets.

On 28 February 2024, the Company issued 150,000,000 options (Tranche 1 and Tranche 2 Options) to Choice in terms of the Facility Agreement. On 13 March 2024, the Company announced to the ASX that it will hold an Extraordinary General Meeting of the Company's shareholders on 10 April 2024 to ratify the 150,000,000 options and obtain shareholder approval for the issue of a further 30,000,000 options to Choice (Tranche 3 Options).

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 17. Earnings per share

	Consolidated	
	31 Dec 2023	**31 Dec 2022**
	$	**$**
Loss after income tax	(32,741,999)	(5,496,996)
Non-controlling interest	2,045,224	9,799
Loss after income tax attributable to the owners of DGR Global Limited	(30,696,775)	(5,487,197)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,043,694,810	1,043,693,478
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,043,694,810	1,043,693,478
	Cents	**Cents**
Basic earnings per share	(2.9)	(0.5)
Diluted earnings per share	(2.9)	(0.5)

Note 18. Armour Energy Limited

Receivers and Managers, and Voluntary Administrators were appointed to Armour Energy Limited (Armour Energy) on 10 November 2023 and Armour Energy was suspended from the ASX on the same date. On 19 January 2024, the creditors of the Armour Energy Group of companies resolved that Armour Energy Limited be wound up, and liquidators were appointed. Additionally, the respective creditors of Armour Energy's subsidiaries resolved:

- McArthur Oil and Gas Ltd and McArthur NT Pty Ltd be wound up; and
- Armour Energy (Surat Basin) Pty Ltd, Armour Energy (Victoria) Pty Ltd, CoEra Pty Ltd, Holloman Petroleum Pty Ltd, and Cordillo Energy Pty Ltd (DOCA Companies) enter into a deed of company arrangement with ADZ Energy Pty Ltd (ADZ).

On 22 January 2024, Armour Energy Limited sold its interests in the DOCA Companies to ADZ with completion occurring on the same day. Additionally, Armour Energy and MNT sold their interests in certain Northern Territory tenements to a subsidiary of ADZ. As a consequence of the above and satisfaction of other conditions, the DOCA was effectuated and the "Armour Energy Creditors Trust" was established.

Note 18. Armour Energy Limited (continued)

While Armour Energy Limited retains some residual assets such as its investments in Conjugate Energy Limited (UK incorporated company) and Auburn Resources Limited, as a result of the ADZ transaction and the transfer of its employees, its primary operations have now ceased.

Management have determined that, in light of the uncertainty of any returns to creditors and shareholders from the liquidation process, the carrying amount of remaining shares and receivables has been assessed as $nil.

Net impairment and fair value movements in Armour Energy Limited assets:

		Consolidated	
	Note	**31 Dec 2023**	**31 Dec 2022**
		$	$
Reversal of impairment/(impairment) - corporate bond investments	11(c)	397,527	(71,136)
(Impairment)/reversal of impairment - investment in associate	10	(1,924,179)	1,271,232
Movement in fair value of options	11(b)	(132,439)	-
Movement in fair value of convertible note receivable	11(b)	(20,325,225)	(2,612,021)
Impairment - interest receivable	8	(532,987)	-
Impairment - loan to Armour Energy Limited	8(b)	(3,007,458)	-
Net impairment and fair value movements in Armour Energy Limited assets		(25,524,761)	(1,411,925)

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Peter Wright
Chairman

15th March 2024
Brisbane

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of DGR Global Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of DGR Global Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

R Swaby

R M Swaby
Director

Brisbane, 15 March 2024